

A Work Project, presented as part of the requirements for the Award of a Master's Degree in Finance from the Nova School of Business and Economics.

## **PROPTECH1 VENTURES**

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## **Abstract**

### **PropTech1 Ventures**

PropTech1 Ventures is the first European vertical venture capital fund focused on innovating real estate industry. Real estate experts, venture capitalists and serial entrepreneurs joined forces in a sector-specific fund to promote PropTech start-ups with capital, strategic partnerships and synergies through a closely-knit network in the real estate sector. This case study analyzes the investment approach of a vertical fund providing smart money to start-ups and adding a strategic next to a financial value to the investors.

**Keywords:** Venture Capital, Start-up, PropTech, Smart Money

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## **A corporate investor's perspective aka history keeps on repeating: Investing in disruption before being disrupted**

In the 2000s with internet becoming a common thing, the information flow started to shift from offline to online. This phenomenon has kicked off the digitization process of media industry. The leading media and retail groups have been investing, directly and indirectly, to interact with digital entrepreneurs, build up new digital income streams and compensate for the declining offline business. German publishing houses and media companies like Axel Springer, Otto group and ProSiebenSat.1 got and still get the double return on investment (ROI) on the one hand attractive financially and on the other hand strategic value-added. A second wave is currently disrupting the banking and insurance industry. *“Start-ups try to eat our lunch”*, expresses JP Morgan’s CEO Jamie Dillon his concerns. The fear of disruption drives even more intense direct and indirect investments in this sector than the first wave, such as HypoVereinsbank is invested in Rocket Internet and Earlybird Ventures, hannover re in finleap and Deutsche Börse Group in Digital Partners. Big industries were attacked by start-ups, and why shouldn’t be real estate be next? Reasons, why it was not yet assaulted are similar to the reasons of why the financial industry didn’t take disrupting companies serious in the beginning. The real estate industry is doing well, not feeling any pressure and is in general pretty offline.<sup>i</sup>

Nikolas Samios and Anja Rath, the founders and managers of Cooperativa Venture Group managed tons of transactions from a founders and company perspective and supervised multitudes of M&A transactions. Due to advising realbest, a platform for selling residential real estate by bringing together sellers and brokers, they met the real estate entrepreneur Marius Marschall von Bieberstein. Together they decided to jump on the next wave of industry disruption at an early stage and started a PropTech fund: PropTech1 Ventures.

### **PropTech1’s General Partners and leading investors**

Real estate entrepreneur Marius Marschall von Bieberstein and the Cooperativa Venture Group, led by the two long-standing venture capital experts Anja Rath and Nikolas Samios, have initiated PropTech1 Ventures with their capital and manage the investment activities. The approach of investing smart money<sup>1</sup> is supported by a strong network of venture partners and senior advisors, who have invested their capital in PropTech1 at an early-stage. The partners combine market access and know-how from the traditional real estate industry, the PropTech scene and

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<sup>1</sup> Money invested by people with expert knowledge.

the venture capital sector and assist the General Partners with deal flow, due diligence, in-depth real estate industry knowledge, and portfolio company advisory work.

Rath and Samios met in their hometown Munich (Germany), where they enlarged their first venture together. Samios built his entrepreneurial activities with several internet-focused companies and structured a small family and friends fund for this very early. He experimented with mezzanine investment forms and finally also won equity investors from the corporate environment. Rath took on responsibilities in financial management, organizational development, and general management and increasingly specialized in supporting other founders and shareholders in growth and turnaround situations and structured numerous financing rounds, mergers, and exits, often taking on interim CFO mandates to take her clients to the next level. Successively, they both got more enthusiastic about this structuring of participation, investment companies, fundraising, and M&A projects than about the actual operative work in the companies. Therefore, they gradually sold the operative participation and now have been active for over 15 years with full focus in the structuring of venture capital funds, portfolio management and the implementation of financing and exits. Together they founded Cooperativa Venture Group, where Rath heads the transaction advisory division and Samios the investor services operations and together they manage the venture capital fund platform. They jointly managed several start-up-oriented investment portfolios, structured and participated in one way or another in more than 200 transactions, from seed round to IPO, from companies such as delivery hero, SoundCloud, Mister Spex, Scalable Capital and many more. Marius Marschall von Bieberstein as co-partner of the real estate project developer evoreal with a project volume over € 500M, PropTech Business Angel and board member of the respected venture capital fund Project A, combines many years of experience in the real estate industry with excellent insights into the digital scene.

PropTech1's limited partner investors are not purely financial investors, but experts from the real estate industry and the PropTech scene. They add value to the portfolio companies as they provide strategic advantages such as access to property portfolio and a broad customer base. The investors range from medium-sized companies to leading real estate corporations from Europe. **Exhibit 1** and **Exhibit 2** show a selection of invested real estate entrepreneurs and companies.

## **The idea to start PropTech1**

Next to gold (\$ 6,5T) and equities (\$ 70T), real estate is the single largest asset class on the planet with a volume of \$ 228T and thus offers a great return potential. In terms of digitization, it is significantly lagging, according to EY and ZIA over 90% of real estate companies identify digitization as a relevant field of action. Global PropTech is gaining momentum and disclosed PropTech funding of \$ 15,500M in 2018, in comparison to 2013 with a funding volume of \$ 294M this number has increased more than tenfold.<sup>ii</sup>

Yet the question Marschall, Rath, and Samios had on their mind, was how to invest in PropTech? Strategic investors and accelerators already exist, but Europe's investor landscape was lacking an independent venture capital investor with smart money value-added for the LP's as well as the portfolio companies. Most PropTech focused investors in Europe are strategic such as investment vehicles of real estate corporates. Many of the best start-ups fear to take a strategic investor on board, as this often means shutting out the investors' competitors as customers or future acquirers because of the adverse selection. Strategic PropTech investors in Europe are for example Bit-Stone Capital, which main shareholders (and therefore with a significant strategic impact) are Art Invest and Zech Group or Vito one, which is the investment vehicle of Viessmann. Accelerators are the only independent investor alternatives, but the investment tickets are minuscule for lack of financial firepower and therefore offer no growth potential for start-ups. Many good founders want to leapfrog any acceleration phase. PropTech focused Accelerator programs in Europe are inter alia offered by Blackprint, pilabs or high rise ventures. Dedicated venture capital funds with a focus on PropTech are e.g. Fifth Wall and Metaprop NYC. These funds pool strategic investors from the real estate industry in one VC fund, concentrating their value-added to the PropTech start-up portfolio.

In January 2018, an entrepreneurial group consisting of venture capital, start-up, and real estate experts started the first European VC fund for innovation in real estate, looking to provide the booming PropTech scene with an alternative to the subpar offerings of the market. PropTech1 was designed towards creating the highest amount of synergies between managing partners, venture partners and limited partner shareholders. PT1's shareholders are therefore not just financial investors, but contribute strategic value, while no single party has a controlling stake in PropTech1. This leads to several competitive advantages over other innovation programs.

## Fundraising Process

Before the new fund could start investing in anything, PropTech1 had to convince people sitting on huge piles of money to part with some of it and become limited partners.<sup>iii</sup> Usually, a new fund collects commitment from its investors, closes the fund and then starts investing. The LPs give the power of attorney to the VC and provide the committed capital<sup>2</sup>. This would represent the ideal situation, but as in real life VCs need a track record as much as start-ups, PropTech1's initiators decided to start with a so-called Investment Club (IC)<sup>3</sup>. The founders joined forces with Business Angels and together created a € 5M IC. Differences in a conventional venture fund, which has a fund manager, who is the sole decision-maker, in an Investment Club the partners always make decisions jointly. Another difference is the advertisement of the fund, to both, LPs and start-ups. VCs are allowed to promote their fund, an IC is not permitted to market its product, as it has not been approved by the regulating authority.<sup>iv</sup> In such a way, a few investments could be made and used as case studies to be presented to possible investors and used for further fundraising. This way on April 1, 2018, the IC turned into a regulated Investment Fund with further investors joining. The regulatory approval by BaFin<sup>4</sup> has been granted before.

Fundraising can be classified as a business-to-business sales process. As such it includes a lot of effort due to requirements like personal selling, high domain expertise, a buyer and supplier relationship, and collaborative management.<sup>v</sup> For this PropTech1 not only highlights in its pitch the great return potential but also the added value created for the limited partners after they invested. The fund operates as the extension of the innovation organization of the companies, which might include corporate accelerators, incubators or their venture fund. Often these in-house initiatives are failing due to lacking expertise. Even though great companies have long sensed the potential value of investing in external start-ups, they just can't seem to get it right.<sup>vi</sup> The main reason for that is the absence of carry<sup>5</sup> and consequently often an interest mismatch.

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<sup>2</sup> Money, which an investor has agreed to contribute to an investment fund. This planned investment is usually not called off in one go but in stages.

<sup>3</sup> A group of people who invests jointly in equities and bonds.

<sup>4</sup> BaFin supervises the financial markets in Germany to create stability and trust.

<sup>5</sup> The performance compensation that the partners of a private equity fund receive if they exceed a specific threshold return.

Contrary to this PropTech1 contains a success fee structure, which ensures the managers focus on LP's return on investment (ROI)<sup>6</sup> with a carried interest<sup>7</sup> of 25% after 6% hurdle rate<sup>8</sup> p.a. (with catch-up) with a fund duration of 8 years + 2 years.

Furthermore, the management commits by investing 5% of the total fund volume on the same terms as the LPs. A modest management fee of 2% p.a. of the committed capital during the investment period, then declining, intensifies the alignment.<sup>vii</sup>

There are three major problems, which PropTech1 faced during fundraising. First, creating concept, portfolio and showing performance to have something to convince potential investors. Secondly, to serve many levels of contact persons, which are common in B2B sales must be taken along. And thirdly, that employees from the innovation department are often sensitive to external exertion of influence as they feel threatened to be replaced. Regardless, PropTech1 was able to already close more than € 30M and the hard cap of € 50M is awaited to be achieved by April 2020.

## Organizational Structure

PropTech1 was built on the Cooperativa platform, a leading VC-centric service provider with expertise in venture capital portfolio management and transaction advisory. Marschall, Rath, and Samios approached for a team-structure of a lean dedicated team plus shared resources under strict governance (see **Exhibit 3: Team-Structure**, 2018). Based on this they were able to achieve a team size and quality on a level, which is typically not possible in a small venture fund with best-in-class governance.

The administrative unit is responsible for the supervision of all resolutions and financial statements and is managed by the CFO Anja Rath. Backed up by Uta Wasserberg, who supports the team in the business administration area. She holds a taxation focused diploma degree in Business Administration from the Technical University of Berlin and owns years of experience in controlling, reporting, and tax and liquidity planning.

Corporate communications and public relations, as well as marketing, are in the responsibility

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<sup>6</sup> Percentage relation between investment and profit.

<sup>7</sup> A share of profits the GPs receive as compensation regardless of whether they contribute any initial fund.

<sup>8</sup> The return threshold the fund manager must achieve to receive a performance fee.

of Theo Bonick, who first joined the Cooperativa team in the context of an IPO project and now is fully focused on PropTech1's activities. He gained an interdisciplinary Bachelor of Arts from the Free University of Berlin and the University of Colorado and subsequently worked at various start-ups in the editorial department as well as in online and content marketing.

The operational team oversees the deal flow, supervises the transactions and provides post transaction support. It consists of professionals, who understand digital models and their key performance indicators (KPIs) and venture capital. Together with Nicolas Samios, Vitali Ivantsov heads the deal flow team of PropTech1 as a principle. He is a Certified Private Equity Analyst (TU Munich – School of Management) and holds international degrees from HTW Berlin and Kharkiv Collegium Ukraine. With his experience at Cooperativa Group, he has substantial transaction know-how in the VC field, both in investment and portfolio management. The operational team is supported by two Senior Associates, Jan Gierkes and Sebastian Rehbein. Gierkes was hired shortly after the first closing of the fund in June 2018. He holds a master's degree in economics and banking from the University of Amsterdam and a bachelor's degree in economics from the University of Berlin. After first positions at the Dutch Central Bank and the PropTech start-up Homebell, he now co-leads the deal flow team and is responsible for setting up the London office. As shown Gierkes, therefore, fulfills the required criteria by providing comprehensive financial expertise, experience in a PropTech company as well as useful relations to the VC and PropTech ecosystem. Joining Cooperativa in January 2018, Rehbein supports the PropTech1 deal flow team since the very early days. His background in various start-ups in business development positions, e.g. the PropTech Weissmaler, NKF Media, the publisher of the start-up magazine Berlin Valley, or the Rocket Internet FinTech In-nolend, gives him not only knowledge from the industry but also early-stage company building. Furthermore, he holds a Bachelor of Arts in entrepreneurship from the Berlin School of Economics and Law and professional training as a wholesales and foreign trade merchant. Furthermore, the deal flow team is supported by two to three interns to smoothly manage a large number of investment inquiries.

Six venture partners, all being serial PropTech entrepreneurs or real estate experts, are supplying domain expertise and additional deal flow. They are achievable selectively with deeper know-how, needed not every day and only for relevant deals, they provide the deal flow team with profound industry and technical knowledge. Two senior advisors, VC entrepreneurs additionally add value in terms of their network and expertise (see **Exhibit 4: Venture Partners and Senior Advisors**).



## Deal flow

*“We select and invest in companies to be hands-off. However, we have all the rights and tools to act if needed”* is how Ivantsov explains the venture process of PropTech1 (see **Exhibit 5: Venture Process in a Nutshell**, 2018). Sources of deal flow are the management team and venture partners, fund investors and co-investors from previous deals, active members in property and start-up associations and specialized media.

The usual process follows five steps, in each of them, different criteria are verified. The deeper you get to know a company, the more concrete the questions become. During this process, it is highly important to identify the exclusion criteria as quickly as possible (see **Exhibit 6: Investment Funnel**).

The first step of the deal flow process starts after an investment inquiry reaches the deal flow team. Here three basic criteria are checked: 1. Does the company classify as a PropTech? 2. Is the geographical fit given? 3. Does the investment size/stage of the company match (typical investment size is 0.5 – 3M)?

The second step is a first sounding call for every start-up, which meets the requirement from step one. The analysts review the following criteria in their calls: the business model, team, market size, the addressed problem, the stage of growth, proof and traction of the solution, financing round details, existing investors and commitments, current cap table and synergies to guarantee the smart money value. The investment analyst supplements this information with research data and thereafter discusses it internally with the whole team.

The third step only is achieved, if the whole team is convinced by the start-up. A first offline meeting happens between the partners and the founders, mostly at the company’s office. The founders pitch again and the business model is exactly shed on light. Partners further benchmark the team regarding the diversity (the ideal team would be a tech professional, a business economist and optional a salesperson), their leadership qualities and accurately review the first and second management levels. Furthermore, it is checked how far the company is developed and what the exact next steps are. The valuation and round structure are checked and discussed. If the criteria are met, a term sheet is signed, which formulates the investment interest.

The fourth step is all about negotiation and due diligence. A commercial, financial, legal and tech due diligence is constructed. Next to this contract negotiations take place.

The fifth step happens if all due diligence results are satisfactory. Contract finalization, the signings take place and the deal is rendered.

The post-investment period mostly starts with a kick-off meeting with the advisory board, which is often replaced after a financing round and in which the lead investor usually becomes a member.

### **Value-added approach**

PropTech1 is subjected to the principle of adding value, on the one hand to its portfolio companies and on the other hand to its investors. In the current market conditions, there is excess capital on the market. The investors are having trouble finding a good investment project and as a result, they are settling down for mediocre projects as the best start-ups chose their investor. PropTech1's investment targets benefit from decade's worth of entrepreneurial experience of the initiators and venture partners as well as from the broad real estate network to accelerate their market penetration in the early-stages of the start-up lifecycle. Attracting the best Prop-Tech entrepreneurs is the foundation for creating a strong-performing portfolio, providing added smart money value through the entrepreneurial, VC, and real estate expertise further propels the investment targets forward. Still, PropTech1 is a venture capital fund and not a strategic investor, thus provides entrepreneurs strategic advantages without the disadvantages.

Besides this a significant value-add for industry investors emergence through several strategic approaches. PropTech1 is being in the know about acquisition opportunities before everyone else and thus in a privileged take on a position in direct-co-investments and take-over opportunities. Furthermore, LP's are provided with unmatched access to deal flow as well as market and trends research, network opportunities with PropTech1's portfolio companies and investment leads as well as other real estate decision-makers with an affinity for innovation. Next to access to state-of-the-art venture capital deal-making, exclusive events, seminars, and workshops and additional individual research and venture methodology support are available for key investors.

## How many investment deals can PropTech1's first fund do?

With a hard cap at € 50M PropTech1's fund belongs to the category of Micro VCs, which includes venture funds in the range between € 25M and € 100M. These funds, and thus also PropTech1 are focused on investing in seed and early growth companies. (see **Exhibit 7: Investment scope**, 2018) The upswing in smaller-sum funds rose from 2018 in comparison to any prior year and is expected to continue growing.<sup>viii</sup> However, diversification is a key component in venture investing.<sup>ix</sup> PropTech1 has despite its size, a diversified and balanced portfolio approach. With an investment amount of € 50M, the fund can invest in 15 to 20 start-ups, from which as of today eight portfolio companies are set. As PropTech1 mostly invests as a lead investor, a partner is getting on board, to ensure a good support one partner should be responsible for four to six investments. Circa 30% to 40% of the fund are saved up to do the follow-up investments. This allows supporting successful companies further, therefore, mitigating risk. As of the small fund size, being a leader in these rounds mostly is not possible. Thus, PropTech1's investment focus lies on seed and early-stage investments, even though the fund invests stage-agnostic. Each follow-on investment is considered as a new investment and is valued independently of the first investment. **Exhibit 8** shows a possible final distribution concerning the stage of the portfolio companies. Seed investments require a lot of effort and more industry know-how, whereas early investments already provide proof, require a larger ticket size and the general partners can yield their expertise in transaction advisory by coaching the start-ups to get into the growth phase. These coaching advantages will be less in the growth phase of a company and network effects are only provided conditionally as most of the partners are focused on the German or European market.

## PropTech1's portfolio companies

PropTech1's growing portfolio as of October 2019 consists of eight high-performing and diversified PropTech start-ups. The general investment universe of PropTech1 is fairly broad-based including the following areas: Finance and investment, broker tech, architecture, engineering, construction, administration, connected home and others, e.g. blockchain and shared economies (see **Exhibit 9: Investment Universe**). All investments are prospected to create a return on investment (ROI) of x2 within 18 months and x10 until the exit.

### *#1 Simplifa*

Simplifa is a digital property manager for elevators falling into the sector of property management, digital twin and internet of things. The investment into the Pre-A Round was originated

over the PropTech1 GP network. In the investment thesis, it is highlighted, that the startup addresses a real, validated pain point and operates on a huge and untapped market. They can already show traction with relevant customers such as Generali and Allianz real estate, the founder team possesses deep market and tech know-how and the economically attractive subscription-based model is highly scalable. Co-Investors in this round were BitStone Capital and flowfact founder Lars Grosenick.

## *#2 Inpera*

Operating in Construction Tech and B2B procurement Inpera offers a digital procurement platform for construction materials. PropTech1 invested at the seed stage, because of the enormous, fragmented market with completely untapped digitization potential, a realistic way to address potential by leveraging the decentralized suppliers' existing infrastructure and a complementary team with a deep understanding of the construction material process.

## *#3 Seniovo*

In a Pre-A round, PropTech1 invested in the B2C marketplace and digital craftsmen company Seniovo. The one-stop solution for barrier-free remodeling serves a significant and growing need, as 3.5M people in Germany will require care in 2028. It is the first one-stop provider in Germany and has an intensively subsidized business model combined with a street-smart and hands-on team. Co-Investors are IBB Beteiligungsgesellschaft, German Media Pool, Hevella Capital, and several Business Angels with smart money value add.

## *#4 Archilyse*

The swiss big data start-up Archilyse is analyzing and simulating real estate data. PropTech1's analyst team discovered this investment opportunity via research and as a result, participated in a Pre-A round. The smart solution for automating and improving real estate planning and valuation processes already shows multiple use cases for evidence-based decision making in every step of the real estate life-cycle and is a highly scalable Software-as-a-service (SaaS) model. The investment round was made together with moneypark, pricehubble, Züricher Kantonalbank and Ringier Digital Ventures.

## *#5 Architrave*

In a growth round, PropTech1 invested into the leading DMS platform for real estate managers Architrave. The leading, multiple award-winning SaaS platform solved the chicken and egg

problem of Business Intelligence and Big Data by supporting leading asset managers, like Union Investment, in their digital transition, starting with document management and data rooms and adding further services on the go. PropTech1 adds value as a growth coach on the board level.

#### *#6 Wunderflats*

Offering short and mid-term rental Wunderflats provides a solution to changing expectations towards the rental process, as the workforce becomes more mobile. The start-up serves as a marketplace for furnished apartments, currently with 50K apartments online, where companies can book remotely for their employees in times, where asset owners need a professional partner because of tightening regulation. PropTech1 invested together with the existing investors Axel Springer Digital Ventures, Fredensborg, Creathor Ventures, and IBB Beteiligungsgesellschaft € 8M in a Series B round.

#### *#7 Building Radar*

Building Radar is a leading artificial intelligence (AI) generation for building construction stakeholders operating in the sector construction tech and SaaS. PropTech1 invested into the highly scalable SaaS model together with Signa, Coparion, Picus Capital, Vito One, Astutia Ventures, and some Angels in a Series-A investment round. The company provides real-time information about new construction projects, automatically collected through web crawling enhanced by artificial intelligence and offers a valuable platform to construction stakeholders, as identifying potential clients is an important lever for revenue growth.

#### *#8 Thing-It*

PropTech1 co-lead the Series-A financing round of Thing-it, a digitization platform for smart offices, intelligent city districts and smart facility management together with Coparion. Digital control and automation technologies are becoming increasingly widespread, networked devices in office buildings worldwide will rise to 3.3B by 2022. Thing-it is a pioneer of networked digitization solutions and functions as the brain of a networked building that receives the signals of all sensors, processes them and sends instructions for action back to all conceivable actuators. In conjunction with optimized shading, lighting control, adaptive heating and cooling, and improved air distribution, e.g. energy savings of up to 30% are possible.

## Looking ahead

In April 2020 PropTech1 will close its' fund with a hard cap of € 50M, after the first closings the current size is >€30M. In terms of deal flow, PropTech1 already did eight successful investments, which were selected out of over 300 qualified leads. However, since it was not even two years old, PropTech1 did not yet have enough investment history to calculate fund returns. Lacking performance data that could fully validate the payoff from PropTech1's value-added approach would existing and additional investors support to boost its scale further?

By the end of 2019, the three partners were discussing the prospects and accordingly evaluating and adjusting the funds' strategy. Is the real estate industry developing as expected? How many more investments should they do? Does the geographical focus allow enough deal flow or should they decide to expand internationally? Should they expand the operating team?

The developments of the real estate industry's relationship with the technology of the past years are encouraging. Property companies are increasing their engagement with digital, 95% have someone responsible for leading digital transformation and innovation. Still, many real estate firms do not see PropTech as a priority, but as a chance yet also a cost. Looking ahead, investments into PropTech solutions are expected to increase as significant digital disruption in various areas will propagate.<sup>x</sup> To provide prosperity supervision each partner should not sit on more than six boards. In the next two years, the fund, therefore, has to decide, whether to take another partner on board or to make no more than 18 investments as a lead-investor.

After making the first investment in the DACH region, the partners decided to broaden their focus on the United Kingdom and the Nordics. Reasons for this are the UK's leading position in Europe with its number of PropTechs and the pioneering position of the Nordics regards sustainable innovation.

For the next two years, the fund will keep focusing on making successful investments. After that the management phase there will be new demands on the operating team, heretofore the operations are functioning smoothly and require no adjustment.<sup>xi</sup>

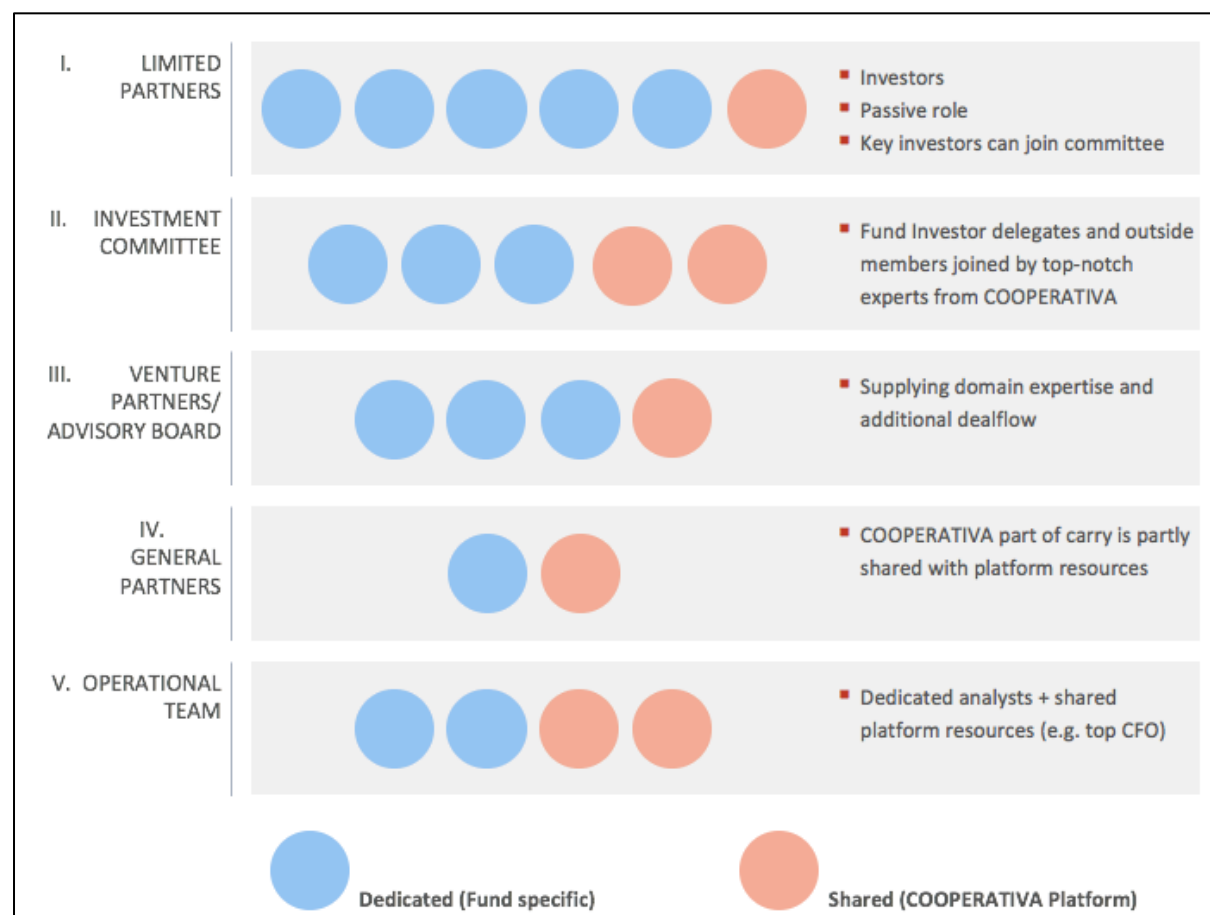
**Exhibit 1:** Selection of invested real estate entrepreneurs

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|--|---|
| <p><b>ROBIN BEHLAU</b></p> <ul style="list-style-type: none"> <li>▪ Founder &amp; CEO of Aroundhome, Germany's largest lead generator for products and services around the house</li> <li>▪ Capital "Top 40 Under 40"</li> <li>▪ Expert for online marketing</li> </ul>                        | <p><b>DR. FLORIAN STETTER</b></p> <ul style="list-style-type: none"> <li>▪ Member of the Supervisory Board of Deutsche Wohnen SE</li> <li>▪ CEO of the real estate investor RockHedge AG</li> <li>▪ Former Deputy CEO of Strabag Property and Facility Services GmbH</li> </ul>   |
| <p><b>PROF. DR. STEPHAN BONE-WINKEL</b></p> <ul style="list-style-type: none"> <li>▪ Managing Partner of ceos Investment, founder of BEOS AG</li> <li>▪ Professor of real estate development at the University of Regensburg</li> <li>▪ Immobilienmanager "Person of the Year 2015"</li> </ul> | <p><b>MARTIN OTT</b></p> <ul style="list-style-type: none"> <li>▪ Designated Managing Director EMEA at WeWork</li> <li>▪ Currently Vice President, Managing Director Central Europe at Facebook</li> <li>▪ Previously Co-CEO of online payment service provider Skrill</li> </ul> |

**Exhibit 2:** Selection of invested real estate companies

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|--|--|---|
| <p><b>Aareal</b></p> <p>MDAX-listed leading provider of smart financing &amp; digital solutions for the RE industry with financings of &gt;€26bn</p> | <p><b>Berlin Hyp</b><br/>Member of<br/>Finanzgruppe</p> <p>leading German real estate and mortgage bank with €27bn in assets</p> | <p><b>COVIVIO</b></p> <p>leading European real estate company with €23bn in assets</p>                    |
| <p><b>ACCENTRO</b><br/>REAL ESTATE AG</p> <p>listed German market leader regarding privatization as a service</p>                                    | <p><b>evoreal</b></p> <p>Hamburg-based project developer with &gt;500m€ project volume</p>                                       | <p><b>GIEAG</b></p> <p>Munich-based listed real estate developer</p>                                      |
| <p><b>PANDiON</b></p> <p>German-leading real estate developer with a sales volume of €2.5bn</p>  | <p><b>EMPIRA</b></p> <p>leading manager for institutional RE investments in the DACH region</p>                                  | <p><b>MÄHREN</b></p> <p>Berlin-based real estate investor with a transaction volume of &gt;600m€ p.a.</p> |

**Exhibit 3: Team-Structure**

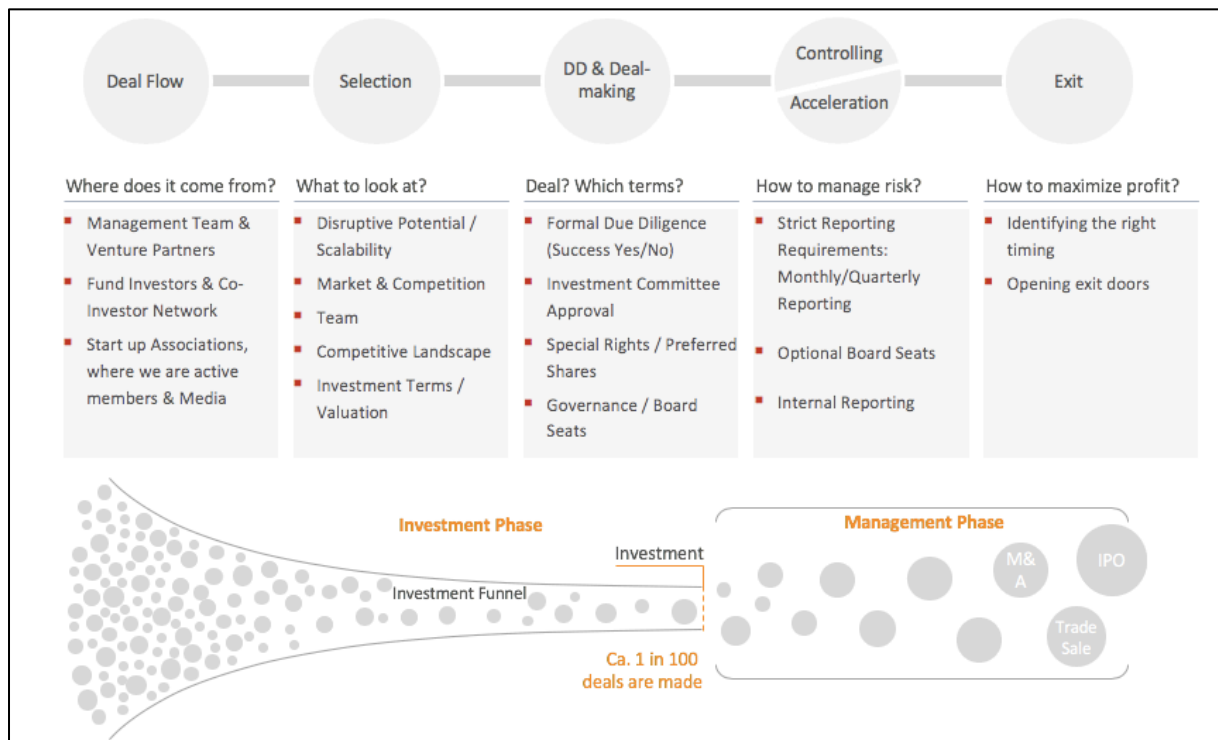


**Exhibit 4: Venture Partners and Senior Advisors**

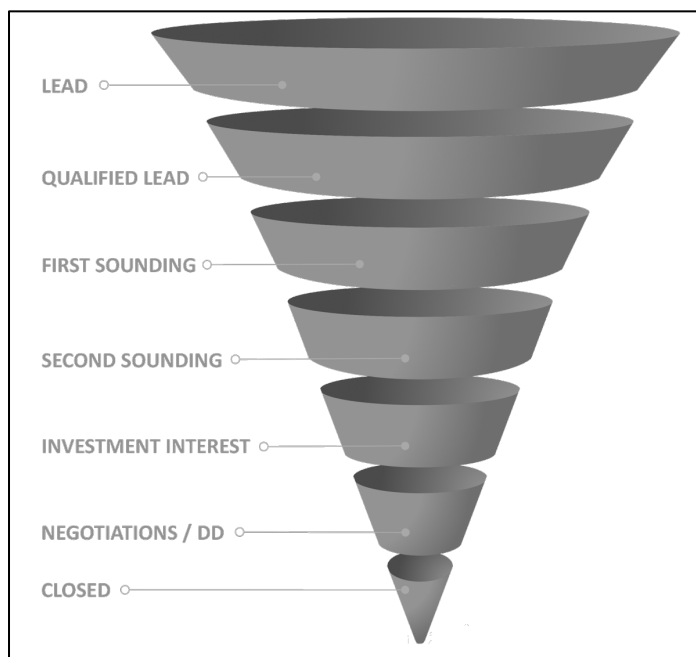
|   |  |
|---|--|
| <b>DR. BEAT SCHWAB – VENTURE PARTNER &amp; PT1 INVESTOR</b> <ul style="list-style-type: none"> <li>Former Head Global Real Estate Asset Management at Credit Suisse, one of the world's largest real estate asset managers</li> <li>Former CEO of Wincasa, Switzerland's leading property manager</li> </ul>  | <b>KRISTOFER FICHTNER – VENTURE PARTNER &amp; PT1 INVESTOR</b> <ul style="list-style-type: none"> <li>Serial entrepreneur &amp; active PropTech angel</li> <li>Prev. CTO and co-founder of Thermondo, leading installer of heating solutions in Germany (partial exit)</li> </ul>  |
| <b>ANDREAS WENDE – VENTURE PARTNER</b> <ul style="list-style-type: none"> <li>Managing shareholder at NAI APOLLO and Arena Group</li> <li>Previous COO / Managing Director at Savills Germany</li> <li>Active business angel and startup advisor including Allthings &amp; Evana</li> </ul>   | <b>CHRISTIAN VOLLMANN – VENTURE PARTNER &amp; PT1 INVESTOR</b> <ul style="list-style-type: none"> <li>Serial entrepreneur and leading business angel, German „Business Angel of the Year 2017“</li> <li>(Co-)founder of nebenan.de, eDarling, MyVideo</li> <li>Board member of German Startup Association</li> </ul>                               |
| <b>DR. PETER STAUB – VENTURE PARTNER &amp; PT1 INVESTOR</b> <ul style="list-style-type: none"> <li>CEO and founder of pom+, leading Swiss real estate digitization consulting firm, and active PropTech business angel</li> <li>Organizer of the Digital Real Estate Conference, "Digital Real Estate" chair at HWZ, creator of the LAB100 innovation laboratory</li> </ul> | <b>NICHOLAS NEERPASCH – VENTURE PARTNER &amp; PT1 INVESTOR</b> <ul style="list-style-type: none"> <li>MD of construction management company GFP Group, Founder &amp; CEO of PropTech startup Doozer</li> <li>Previous diploma architect at Zaha Hadid London, real estate consultant at EY</li> </ul>  |
| <b>JAN HENRIC BUETTNER – SENIOR ADVISOR &amp; PT1 INVESTOR</b> <ul style="list-style-type: none"> <li>e.ventures / BV Capital founder, an international VC platform with around \$1bn capital raised and around \$3bn distributed</li> <li>Exits include IPOs on NASDAQ, trade sales to companies incl. eBay, Yahoo!, Google, KKR, BestBuy, RedHat...</li> </ul>            | <b>ANDREAS VON BLOTTNITZ – SENIOR ADVISOR &amp; PT1 INVESTOR</b> <ul style="list-style-type: none"> <li>Serial entrepreneur with significant exits: AOL Europe (\$6,8bn), Expertcity (\$225m), and IPO of PropTech company AppFolio @NASDAQ (\$420m; 700%+ since IPO)</li> <li>Active Silicon Valley angel, e.ventures committee member</li> </ul> |



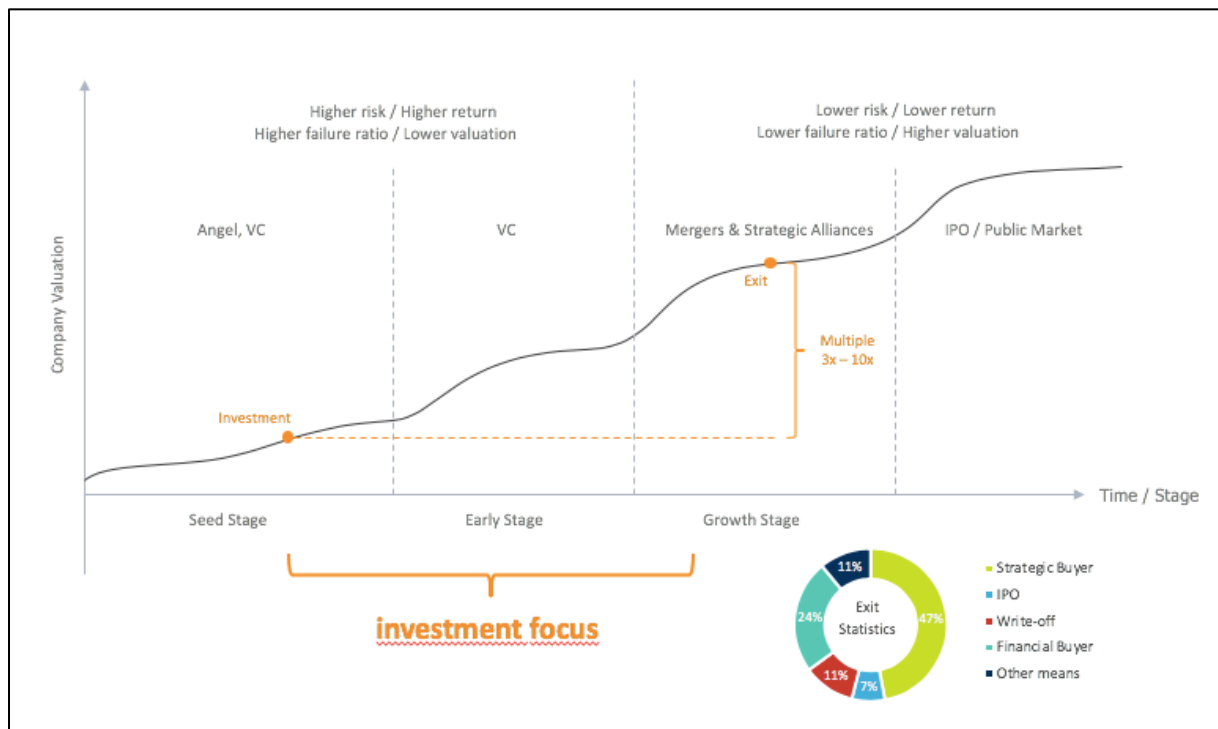
**Exhibit 5:** The Art of Making a Venture Homerun: Venture Process in a Nutshell



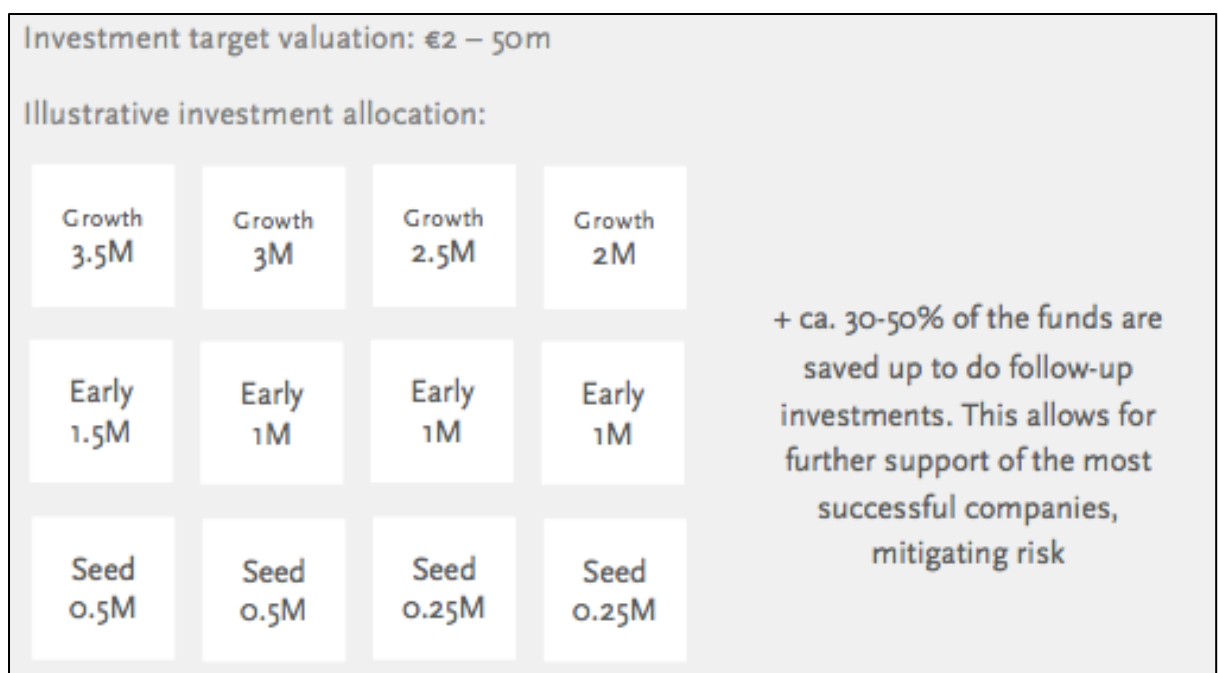
**Exhibit 6:** Investment Funnel



**Exhibit 7:** Investment Scope: seed to early growth, minority investments



**Exhibit 8:** Portfolio approach - diversified and balanced



## Exhibit 9: Investment Universe

|   |   |   |
|---|---|---|
| <b>FINANCE AND INVESTMENT</b> <ul style="list-style-type: none"> <li>▪ <b>Lending marketplace:</b> loans for property development. <b>Example:</b> StackSource</li> <li>▪ <b>Crowdfunding/-investing:</b> a platform where private individuals can finance a real estate project. <b>Example:</b> Exporo, Bergfürst</li> <li>▪ <b>Peer to peer lending:</b> allows to sublet a property, sell or buy a lease from a private individual with help of Blockchain technology. <b>Example:</b> Flip inc.</li> </ul> | <b>BROKER TECH</b> <ul style="list-style-type: none"> <li>▪ <b>Real estate market place:</b> a marketplace where real estate demand is matched supply in a safe environment. <b>Example:</b> ImmobilienScout</li> <li>▪ <b>Cloud solutions:</b> video-based platform where owner and service providers or house-hunters meet. <b>Example:</b> Centaline (in-house)</li> </ul>   | <b>ARCHITECTURE, ENGINEERING, CONSTR.</b> <ul style="list-style-type: none"> <li>▪ <b>VR/AR:</b> planning, design, product presentation. <b>Example:</b> VUCITY</li> <li>▪ <b>Building information modeling:</b> data-driven design and construction. Prototyping, engineering testing of feasibility documentation and integration are the usual use cases. <b>Example:</b> Sitedesk, Autodesk</li> </ul>  |
| <b>ADMINISTRATION</b> <ul style="list-style-type: none"> <li>▪ <b>SaaS:</b> financial, property and investor management tools designed especially for real estate management needs. <b>Example:</b> MRI Software, Soft 4 Real Estate</li> <li>▪ <b>Non-professional property management:</b> management tools for private landlords. <b>Example:</b> Rentalutions</li> </ul>  | <b>CONNECTED HOME</b> <ul style="list-style-type: none"> <li>▪ <b>Smart buildings / smart cities:</b> connected buildings, automated municipal services, security etc. <b>Example:</b> Asset Mapping</li> <li>▪ <b>Building as a service:</b> smart building management by prolonging a value chain that doesn't end after the building is built. <b>Example:</b> Distech Controls</li> <li>▪ <b>Connectivity:</b> LiFi wireless internet through light. <b>Example:</b> Lucibel</li> </ul> | <b>OTHER</b> <ul style="list-style-type: none"> <li>▪ <b>Blockchain:</b> next level of security of the land registry. Smart contracts. <b>Example:</b> Chroma Way, Slock.it</li> <li>▪ <b>Co-working space:</b> shared office bringing established teams and individuals together generating synergies. <b>Example:</b> WeWork</li> <li>▪ <b>Shared economy:</b> private short term rent of private and commercial property. <b>Example:</b> Airbnb, ShareYourOffice</li> </ul> |